Current and Future Challenges

West Virginia Workers Compensation
Educational Conference
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Who Is This Lady, Anyway?

- An example of the aging workforce:
  - 39 years WC experience
  - Medical fraud investigator; insurance adjuster; claims manager; disability management trainer; Minnesota Assistant Commissioner for WC; Florida Division of WC Director; Workers Compensation Research Institute Deputy Director, CWCP Instructor; Consultant to USDOL, RWJ WC Health Initiative, Montana, New York, North Dakota, Washington, etc.

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What Does She Have To Offer Me?

- A View from Outside Your State:
  - National and State Political Issues Affecting WC:
    - Immigration reform (Or lack of it)
    - Health care reform (How will it affect state systems?)
    - More effective coordination of state and federal benefit programs (Aren't Medicare set asides fun?)
  - Medical Cost Drivers and Cost Containment Strategies Being Used by the States
  - Prevention and Return to Work Challenges
    - For the aging workforce (and related co-morbidities)
    - For the occupationally fatigued

Immigration: When Illegals Get Hurt

- For the worker:
  - Potential under-reporting of injuries
  - Fear of deportation
  - Significant threat to health and livelihood
  - Delayed medical treatment
  - Longer disabilities
- For the employer/insurer:
  - Challenges with return to work
  - Challenges with continuing benefits upon deportation
  - Challenges with language barriers – understanding medical care instructions
  - Differing cultures and customs defining treatment

Immigration Reform (or lack of it)

- More state legislatures looking to bar illegal immigrants from the WC system
  - GA, MT, NH and SC are examples of bills introduced this yr. to ban benefits for illegal aliens
  - One of the best examples of unintended consequences – Do employers really want to give up exclusive remedy? Do we want to encourage the hiring of illegal aliens to reduce WC losses?
  - Interesting Federal/State issue that will affect WC laws in different ways

Health Care Reform

- Positives:
  - More access to general health coverage for workers
  - Create greater investments in preventative care
  - Encourage electronic records – more health related data for research (more evidence based tx results)
  - Prohibit denials based on pre-existing conditions
- Of Concern:
  - Create WC cost shifting (where reimbursements may be higher)
  - Increased shortage of primary care physicians
  - What will happen next?

Federal/State Benefit Coordination:

- Current Benefit Coordination Highly Inefficient:
  - Medicare Set Asides – the tip of the iceberg
  - Social Security Offsets – making a larger difference in state costs with the aging workforce
  - Cost shifting currently invisible
- Technology and Electronic Records Could Change This

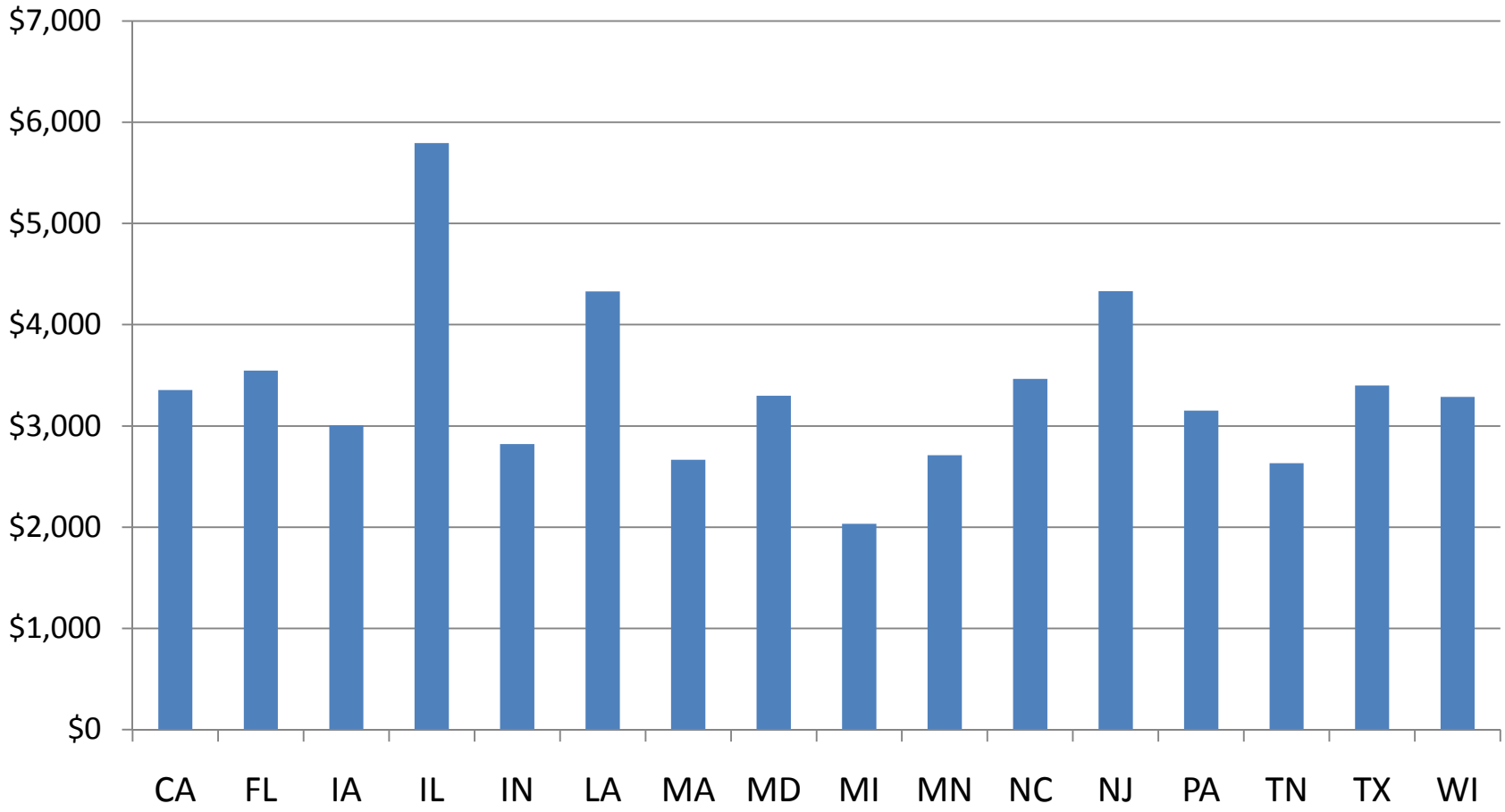
Is this a good thing?

Medical Cost Drivers

- Significant variation in medical costs per claim across states
- Multiple variables explain differences:
  - Use of various cost containment strategies
  - Fee schedule levels and processes
  - Utilization guidelines, implementation and enforcement
  - Extent of use of evidence based treatment guidelines
  - Choice of physician regulations and managed care options
  - Physician concentration and critical care hospital access
  - Medicare and group health rate differences
  - Geographical and cultural differences
  - Political realities

CompScope Medical Cost Per Claim

(2006/2009 Claims With More Than 7 Days Lost Time)



Source: WCRI - CompScope WC Benchmarks 11th Edition - 2011

Pharmaceuticals – Concerns About the Pills and Process

- Previous research identified concerns about physicians' practice patterns, costs and utilization trends (CWCI, WCRI, NCCI)
- CWCI and WCRI report increasing medical costs associated with prescription drugs
- California, Texas and most recently Florida are attempting to address outlier costs and cost shifting from physician prescribed drugs

Pain Medication Most Often Prescribed In WC Cases

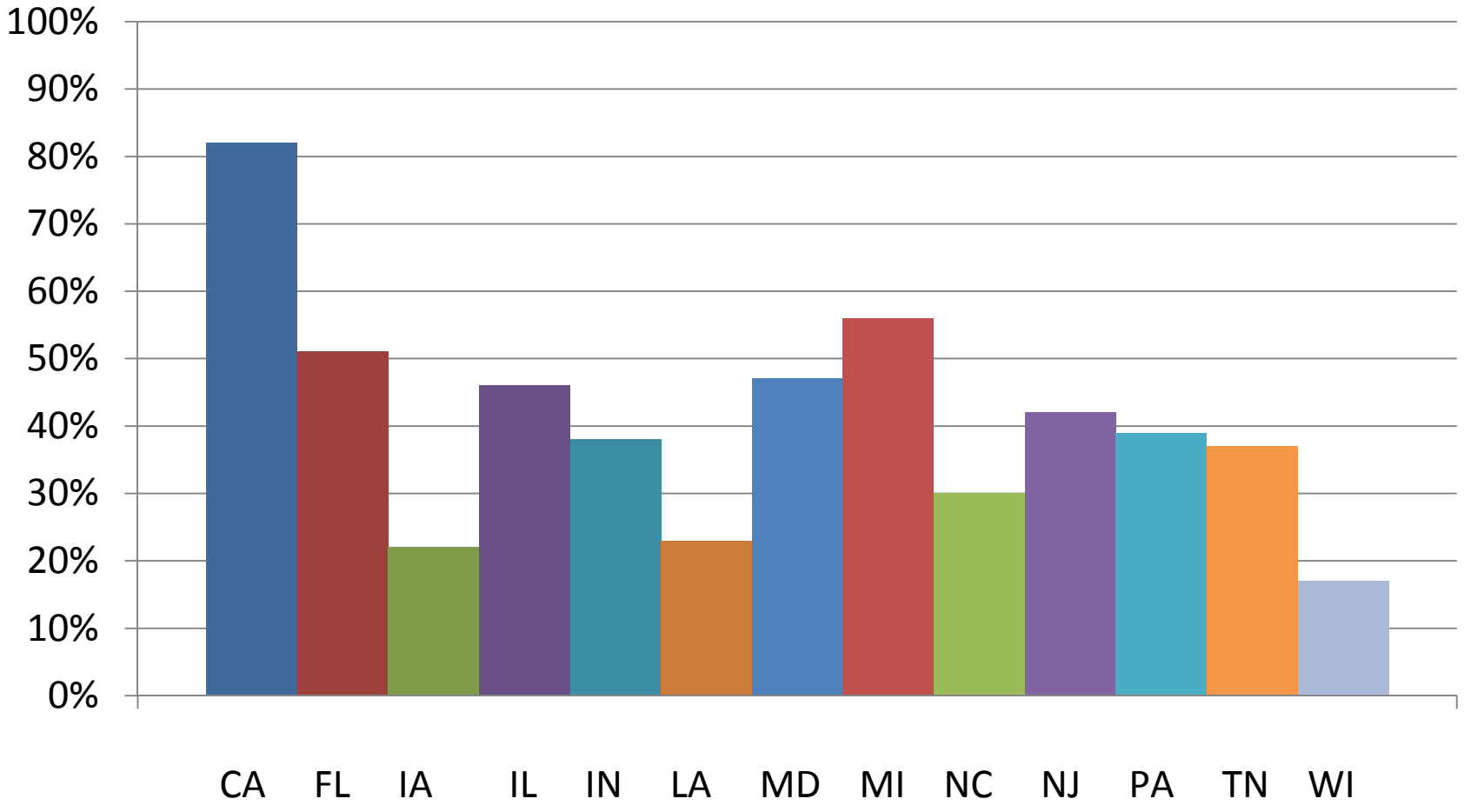
Percentage of Claims with Rx That Had Rx for Type of Medication

	CA	FL	IA	IL	IN	LA	MA	MD	MI	NC	NJ	NY	PA	TN	TX	WI
Pain Medication	97	96	96	96	96	95	94	96	96	96	94	94	96	98	97	95
Muscle Relaxants	37	39	25	26	28	40	31	38	31	33	30	32	30	35	36	27
Gastrointestinal agents	18	11	4	5	4	5	4	7	3	4	4	4	4	3	3	4
SIDA Medications	11	11	14	11	12	22	14	11	10	15	9	11	11	12	14	13
Anti-infective Medications	17	22	18	18	20	22	13	12	16	20	15	12	16	16	24	14
Other Meds	16	24	17	19	24	29	14	20	18	28	18	19	21	32	24	16

(SIDA = sleep inducing, antidepressant, and antianxiety medications)

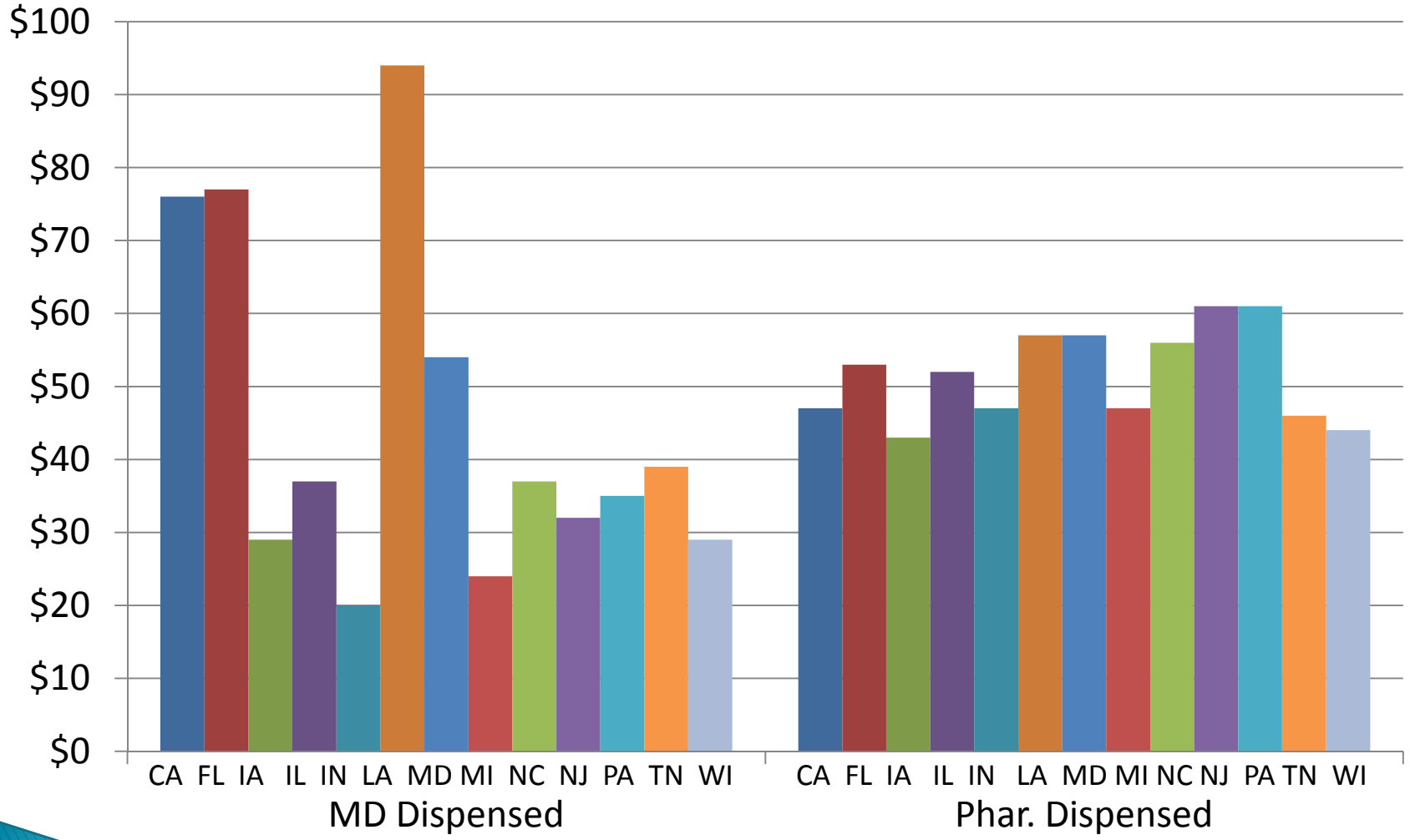
Source: WCRI – *Prescription Benchmarks* 2010

Percentage of Claims with Rx That Had MD Dispensed Prescription



Source: WCRI – *Prescription Benchmarks* 2010

Average Price Per Prescription



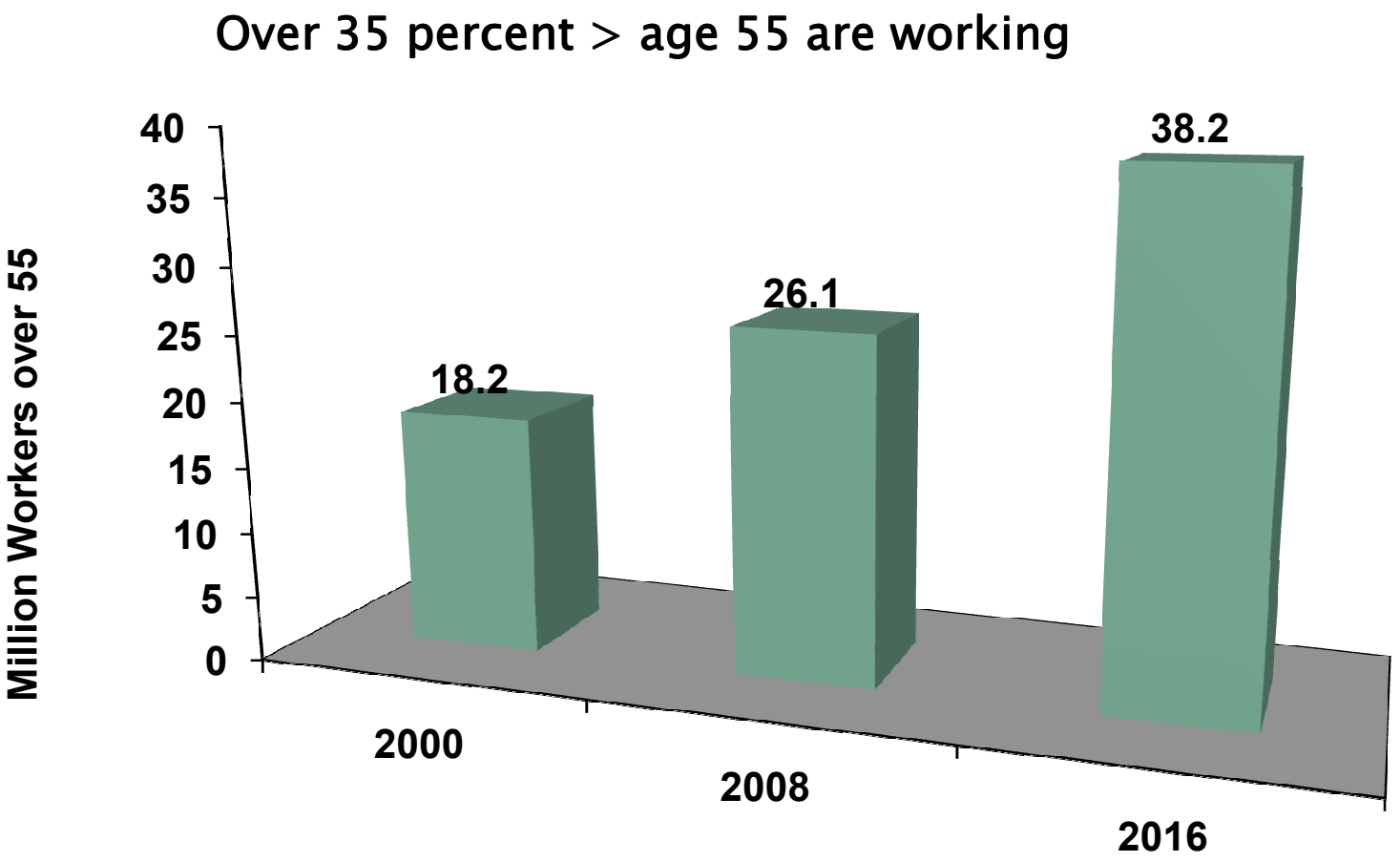
Source: WCRI – *Prescription Benchmarks* 2010

Medical Cost Containment Strategy For the Future:

- Encouraging a Healthy Workforce
- Preventing Needless Work Disability
- Greater Use of Technology to Generate Reports and Collect Data
- Evidence Based Medicine
- Outcome Based Choice

Prevention and Disability Management Strategies for the Aging Workforce

Persons over 55 in US workforce



Source: Liberty Mutual Research Institute of Safety Presentation by Dr. David Deitz – 2010

Why is the Population of Older Workers Increasing?

- There are more of us (Baby boom 1946-1963)
- Retirement age increasing
- Life expectancy increasing
- Concerns about savings and health insurance
- Divorce/Economy – more women having to work and more at poverty level
- Boredom? Social contacts? Contribution?

Source: Liberty Mutual Research Institute of Safety Presentation by Dr. David Deitz – 2010

Inadequate Retirement Savings

- 44 percent of US households will have a much lower standard of living after retirement without new income (Census Bureau, 2008)
- Only 42 percent of all workers participate in employer-based retirement plans (Copeland, 2004)
- Post-retirement employer-based health insurance is rapidly declining

Source: Liberty Mutual Research Institute of Safety
Presentation by Dr. David Deitz – 2010

Most Likely Age-Related Changes

- Visual
- Low-illumination sensitivity
- Glare rejection, persistence
- Hearing
- Hypertension
- Peak strength, aerobic capacity
- Shift work intolerance

Source: Liberty Mutual Research Institute of Safety
Presentation by Dr. David Deitz – 2010

Variable Age-Related Changes

- Cognitive ability
- Selective (focused) attention
- Useful strength, aerobic work
- Chronic illness
- Obesity (30 percent > 55 y.o.)

Source: Liberty Mutual Research Institute of Safety
Presentation by Dr. David Deitz – 2010

NH Older Workers and Work Injury Study

- All workers age > 55 with WC claim in 2001 in NH (n=1,540)
- ANY work-related injury
- Matched (same gender/injury type) younger workers
- Four and 52 weeks post-injury questionnaires

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz - 2010

Detailed Interviews Suggest Three Distinct Groups of Older Workers:

1. Healthy survivors – still successfully working in first career for 40+ years
2. Employed post-retirement (second career)
3. "Trapped" (finances, health insurance, poor health) – want to retire but can't

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Post-Retirement Employment

- Increased – 32 percent to 49 percent over past 10 years
- Primarily younger, pensioned retirees
- New industry, job, physical demands
- Risks due to worker-job mismatch
- Prolonged out-of-work period – reluctance to return

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Job-locked Older Workers: Want to Retire But Can't

- 54 percent of sample
- Inadequate retirement finances
- Concerns that work injury could exacerbate prior problems

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Comparison With Non-job-locked Workers over 55

- More likely single, less educated, low income
- Health: more chronic health problems; significant health-related work absence in past two years
- Physical difficulty performing job due to health
- Same body part, treatment, lost work time after injury but slightly greater average reported injury severity

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz - 2010

Prevention Strategies

Worker assessment

Workplace modification

Wellness

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Job-locked: Proactive identification

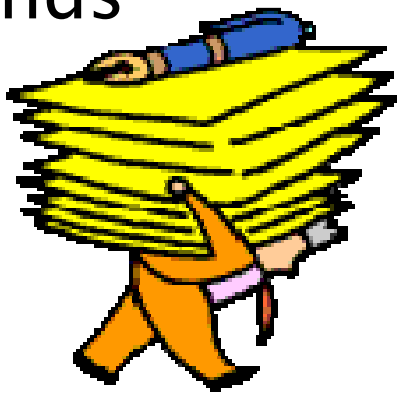
- Marginal work performance, difficulty on job often preceded work injury
- Important to recognize worker with good work record, attendance, relationship with others
- Worker – job mismatch evolves over time
- EAP role?

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Tailoring Jobs to Aging Workforce

- Decrease manual handling of heavy loads (moderate load repetition ok)
- Comfortable working posture
- Avoid high-level continuous perceptual/concentration demands

(Hasegawa and Matsumoto, 1995)



Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Workplace modification

- Visual – size, illumination, glare
- High maximal weights
- Training – context, repetition, logical progression
- Workspace design, vehicle modification

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Wellness

- Exercise programs for older workers
- Diet
- Health risk behaviors

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Post-injury

- Care – early
  attribution, needs, expectations, adequate recuperation, co-morbidity
- Capture full value of workplace attachment
  - Communication, alternate duty
- Flexibility – med care, part time, job choices

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Post-injury

- Advocacy – peer groups
- Retraining – slower, reinforcement, hands-on; more important than younger
- Rehabilitation – accessible, targeted, more proactive
- Policy – Total Disability Case Management,

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Effects of Aging on Claim Management

Increased age and medical co-morbidities:

- Age-related medical co-morbidities affect WC claims in many ways:
  - Impaired tissue healing (ex. DM)
  - Increased surgical/anesthesia risk (e.g., COPD)
  - May decrease ability to participate in active rehabilitation (e.g., CAD)
  - May lead to increased disability duration
  - All of the above magnified by deconditioning, seemingly more common in the aging worker

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Effects of Aging on Claim Management

Increased medical severity:

- Increases likelihood of "body creep"
  - Ex. "The limp from Elizabeth's meniscus tear aggravated her lumbar spondylosis"
  - Again, varies by jurisdiction
  - Again, jurisdictional drivers may eclipse clinical realities (lack of evidence base to support assertion)

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Effects of Aging on Claim Management

Psychosocial factors:

- Is the injured aging worker motivated to RTW, or is he/she looking to jump-start retirement?

Or….

- Is the aging worker too fearful of job loss to report the severity of his/her symptoms accurately?

Source: Liberty Mutual Research Institute of Safety
Dr. David Deitz – 2010

Occupational Fatigue

"Occupational fatigue is associated with extreme physical or mental tiredness that occurs on the job. It can be triggered by long or unusual work hours, prolonged physical or mental activity, insufficient break time between shifts, inadequate rest, excessive stress, chronic medical conditions, repetitive work tasks, or a combination of factors. It is a condition that spans all industries all walks of life, and is global in reach."

Source: Liberty Mutual Research Institute for Safety;
Occupational Fatigue; Science Confronts a Sleeping Giant

Injury Rates Increase as Weekly Working Hours Increase and as Daily Sleep Duration Decreases

Annualized Injury Rates (per 100 Workers							
Work							
Hours per week	≥20	20-30	31-40	41-50	51-60	60+	
Injury Rates	2.03	3.01	2.45	3.45	3.71	4.35	
Sleep							
Hours per week	<5	5-5.9	6-6.9	7-7.9	8-8.9	9-9.9	>10
Injury Rates	7.89	5.21	3.62	2.27	2.5	2.22	4.72

Source: Liberty Mutual Research Institute for Safety Injury Epidemiology

Other Findings:

- The relative risk of work related injuries increased 15.2% on afternoon shifts and 27.9% on night shifts as compared to morning shifts
- Regardless of shift, injury risk increased substantially between successive breaks, nearly doubling by the last 30 minutes preceding a break
- Injury risk was relatively constant up until the eighth hour of a shift then increases dramatically – up to three times that of the first hour after 12 hours on duty

Source: Liberty Mutual Research Institute for Safety, *Research Shows How Shift-Work Scheduling Factors Impact Safety*

Research-Based Shift Work Scheduling Recommendations

- Schedule day (morning) shifts rather than afternoon or night shifts if possible
- Limit consecutive day shifts to five or six, night shifts to four
- Provide frequent rest breaks (hourly or more often depending on nature of work)
- Schedule work so all workers have two consecutive rest days
- Keep schedules regular and predictable
- Alternate weeks of overtime with weeks of normal time

Thanks To:

- Liberty Mutual Research Institute of Safety
- Dr. David Deitz – Medical Director – Liberty Mutual
- Workers Compensation Research Institute
- West Virginia Office Of Insurance Commissioner
- International Workers Compensation Foundation
- and to

YOU!